

**Letter of Findings: 65-20191201P
Indiana Oversize/Overweight Proposed Assessment
For the Year 2018**

NOTICE: IC § 6-8.1-3-3.5 and IC § 4-22-7-7 require the publication of this document in the Indiana Register. This document provides the general public with information about the Indiana Department of Revenue's (the "Department") official position concerning a specific set of facts and issues. This document is effective on its date of publication and remains in effect until the date it is superseded or deleted by the publication of another document in the Indiana Register. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Letter of Findings.

HOLDING

The Department sent Motor Carrier a proposed assessment for two oversize/overweight civil penalties for violating a permit it obtained from the Department and, in addition, for failing to obtain a permit. At hearing, the Department determined that Motor Carrier should only be assessed a penalty for not obtaining a permit and not for violating the terms of the permit. Therefore, Motor Carrier's protest is sustained in part and denied in part.

ISSUE

I. Motor Vehicles - Oversize/Overweight Penalty.

Authority: IC § 6-8.1-5-1; IC § 6-8.1-1-1; IC § 9-20-1-1; IC § 9-20-1-2; IC § 9-20-3-2; IC § 9-20-6-11; IC § 9-20-18-14.5; *Indiana Dept. of State Revenue v. Rent-A-Center East, Inc.*, 963 N.E.2d 463 (Ind. 2012); *Lafayette Square Amoco, Inc. v. Indiana Dept. of State Revenue*, 867 N.E.2d 289 (Ind. Tax Ct. 2007).

Motor Carrier protests the assessment of two oversize/overweight civil penalties.

STATEMENT OF FACTS

Motor Carrier is based outside of Indiana. On March 1, 2018, Motor Carrier's commercial motor vehicle was cited by the Indiana State Police ("ISP") for an oversize violation. As a result, the Department issued Motor Carrier a proposed assessment for two oversize/overweight ("OS/OW") civil penalties. Motor Carrier disagreed with the assessment of penalties and submitted a protest to that effect. At Motor Carrier's request, the Department held a hearing on this matter. This Letter of Findings results. Further facts will be supplied as necessary.

I. Motor Vehicles - Oversize/Overweight Penalty.

DISCUSSION

Motor Carrier protests the imposition of two civil penalties. The Department based its proposed assessment on a report provided by the ISP. The ISP report showed that Motor Carrier was transporting a load in excess of the width allowed under IC § 9-20-3-2. Motor Carrier argues that they corrected the issue by purchasing a permit during the traffic stop and have already paid a summons resulting from the traffic stop.

As a threshold issue, it is Motor Carrier's responsibility to establish that the existing proposed assessment is incorrect. As stated in IC § 6-8.1-5-1(c), "[t]he notice of proposed assessment is prima facie evidence that the [D]epartment's claim for the unpaid tax is valid. The burden of proving that the proposed assessment is wrong rests with the person against whom the proposed assessment is made." *Indiana Dept. of State Revenue v. Rent-A-Center East, Inc.*, 963 N.E.2d 463, 466 (Ind. 2012); *Lafayette Square Amoco, Inc. v. Indiana Dept. of State Revenue*, 867 N.E.2d 289, 292 (Ind. Tax Ct. 2007).

According to IC § 9-20-1-1, "[e]xcept as otherwise provided in [IC Art. 9-20], a person, including a transport operator, may not operate or move upon a highway a vehicle or combination of vehicles of a size or weight exceeding the limitations provided in [IC Art. 9-20]."

According to IC § 9-20-1-2, "an owner of a vehicle . . . may not cause or knowingly permit to be operated or moved upon a highway a vehicle or combination of vehicles of a size or weight exceeding the limitations provided in [IC Art. 9-20]."

According to IC § 9-20-6-11, "[a] person may not violate the terms or conditions of a special permit."

IC § 9-20-18-14.5 authorizes the Department to impose civil penalties against Motor Carriers that obtain a permit under IC Art. 9-20 and violate IC Art. 9-20 ("Permit Violation Civil Penalty") or are required, but fail, to obtain a permit under IC Art. 9-20 ("No Permit Civil Penalty"). IC § 9-20-18-14.5(c) provides that a person "who transports vehicles or loads subject to this article and fails to obtain a permit required under this article is subject to a civil penalty" According to IC § 9-20-18-14.5(b), the Department may subject a person to a civil penalty if the person "obtains a permit under" IC Art. 9-20 and violates IC Art. 9-20 by being overweight or oversize.

IC § 6-8.1-1-1 states that fees and penalties stemming from IC Art. 9-20 violations are a "listed tax." According to IC § 9-20-18-14.5(3), these listed taxes are in addition to and separate from any arrangement or agreement made with a local court or political subdivision regarding the traffic stop.

In this case, the Department issued Motor Carrier a Permit Violation Civil Penalty and a No Permit Civil Penalty. According to the ISP report, Motor Carrier transported cargo that had a width of nine feet and 11 inches, more than the eight feet and six inches allowed under IC § 9-20-3-2. The Department offers an oversize permit that allows a carrier to transport a width wider than the statutory limit. Department records, however, show that Motor Carrier did not have a permit at the time of the traffic stop in question.

Motor Carrier argued that it "took care of the underlying issue immediately" during the traffic stop by obtaining a permit and have subsequently purchased annual permits through February of 2020. Motor Carrier also states that they have paid a fine resulting from the traffic stop through a county court.

First, Motor Carrier is required to possess a permit for carrying certain loads that exceed statutory limits at the time of transport. Motor Carrier would have had to pay for the permit prior to possessing it. This allows the Department to provide Motor Carrier a proper transport route. Second, IC § 9-20-18-14.5 provides that a civil penalty issued by the Department under IC Art. 9-20 is (1) in addition to and separate from any other civil penalties issued under Titles 8 and 9 and (2) in addition to any fines imposed by a court.

Motor Carrier failed to obtain a permit before transporting cargo that required a permit; therefore, it is appropriate for Motor Carrier to receive a No Permit Civil Penalty. However, because Motor Carrier did not have a permit at the time of the traffic stop, Motor Carrier should not have been assessed a Permit Violation Civil Penalty. Based on this review, the Department will generate an updated bill for Motor Carrier.

FINDING

Motor Carrier's protest is sustained in part and denied in part.

September 26, 2019

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